



# CHU KONG SHIPPING ENTERPRISES (GROUP) COMPANY LIMITED

(Incorporated in Hong Kong with limited liability)  
Stock Code : 00560

**Strategising Quality  
Developments  
Conquering New  
Frontiers**



ENVIRONMENTAL, SOCIAL AND  
GOVERNANCE REPORT  
2023

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## 1. ABOUT THIS REPORT

This environmental, social and governance (“ESG”) report (this “Report”) details the sustainability strategy, progress, and achievement of Chu Kong Shipping Enterprises (Group) Company Limited and its subsidiaries (collectively referred to as the “Group” or “we”) in 2023.

### 1.1 Reporting Scope

This Report supplements the 2023 Annual Report of the Group and discloses the Group’s management approaches, measures and performances in ESG from 1 January 2023 to 31 December 2023 (the “Reporting Period”) (with some contents dating back to the prior years or looking forward to the date of release of this Report).

The reporting scope of this Report includes the Group’s terminal logistics business, passenger transportation business, fuel supply business, and corporate and other businesses, which covers our operation in offices, cargo terminals, and ferry terminals in Mainland China, the Hong Kong Special Administrative Region of the People’s Republic of China (“Hong Kong”), and the Macao Special Administrative Region of the People’s Republic of China (“Macao”).

- Chu Kong Shipping Enterprises (Group) Company Limited (“CKSG” or the “Company”)
- Chu Kong Agency Company Limited
- Chu Kong Container Transportation Company Limited
- Chu Kong (Guangdong) International Freight Forwarding Co., Ltd. (“CKIFF”)
- Chu Kong Godown Wharf & Transportation Company Limited
- Chu Kong Transhipment & Logistics Company Limited
- Chu Kong Transportation (H.K.) Limited
- Chu Kong Passenger Transport Company Limited (“CKPT”)
- Sun Kong Petroleum Company Limited (“Sun Kong Petroleum”)
- Oriental Pearl Cruise Company Limited (formerly known as Cotai Chu Kong Shipping Management Services Company Limited)
- Chu Ou Engineering And Technologies Company Limited
- Sun Ferry Services Company Limited (“Sun Ferry”)
- CKS Container Terminal (Zhuhai Doumen) Co., Ltd. (“Doumen Port”)
- Chu Kong Shipping (Guangdong) Logistics Co., Ltd.
- Zhaoqing Chu Kong Logistics (Gaoyao) Co., Ltd. (“Gaoyao Port”)
- Zhongshan City Huangpu Port Cargo and Container Terminal Co., Ltd. (“Huangpu Port”)
- Zhaoqing New Port Co., Ltd. (“Zhaoqing New Port”)
- Zhaoqing Chu Kong Logistics (Sihui) Co., Ltd.
- Chu Kong International Airfreight Company Limited
- Ever Sky Transportation Limited
- Chu Kong Cargo Terminals (Qingyuan) Co., Ltd. (“Qingyuan Port”)
- Chu Kong Cargo Terminals (Gaoming) Co., Ltd. (“Gaoming Port”)
- Chu Kong Cargo Terminals (Kangzhou) Co., Ltd. (“Zhaoqing Kangzhou Port”)
- Shenzhen Zhu Chuan International Freight Forwarding Co., Ltd. (“Shenzhen Zhu Chuan”)
- Chu Kong (Guangdong) International Shipping Agency Co., Ltd.
- Civet (Zhuhai Bonded Area) Logistics Company Limited (“Civet Port”)
- Guangdong Digital Port & Shipping Technology Co., Ltd. (“Digital Port and Shipping”)

## 1.2 Basis of Report Preparation

This Report was prepared in accordance with the *Environmental, Social and Governance Reporting Guide* (“ESG Guide”) set out in Appendix C2 of the Main Board Listing Rules of The Stock Exchange of Hong Kong Limited (“SEHK”). For detailed information about the provisions of the *ESG Guide*, please refer to Appendix 2 of this Report.

This Report has complied with the “comply or explain” provisions as well as mandatory disclosure requirements of the *ESG Guide* and was prepared in adherence to the four reporting principles: Materiality, Quantitative, Balance and Consistency.

Materiality	Quantitative
A materiality assessment was conducted to inform the structure and focus areas of our ESG reporting. For the process to identify and the criteria for the selection of material ESG issues, please refer to the section “3.2 Stakeholder Engagement and Materiality Assessment” of this Report.	We reported our quantitative performance for stakeholders to evaluate the effectiveness of our ESG policies and management systems. Moreover, we disclosed the standards, methodologies, assumptions, and source of conversion factors used for the reporting of key performance indicators where applicable.
Balance	Consistency
This Report is prepared in a transparent manner of which the information disclosed covers both sustainability achievements and challenges of the Group.	We adopted consistent methodologies and reported the changes to the scope and methods to allow for meaningful comparisons of ESG data over time.



### 1.3 Report Disclaimer

All information disclosed in this Report was sourced from the Group's documents and statistics. The board of directors of the Company (the "Board") has overall responsibility for the Group's ESG strategy and reporting. This Report was reviewed and approved by the Board on 26 April 2024.

This Report was published in Traditional Chinese and English versions. Should there be any discrepancy between the two versions, the English version shall prevail.

### 1.4 Contact Us

We welcome your feedback on our ESG performance and this Report. Please contact us with the information below:

Chu Kong Shipping Enterprises (Group) Co., Ltd.

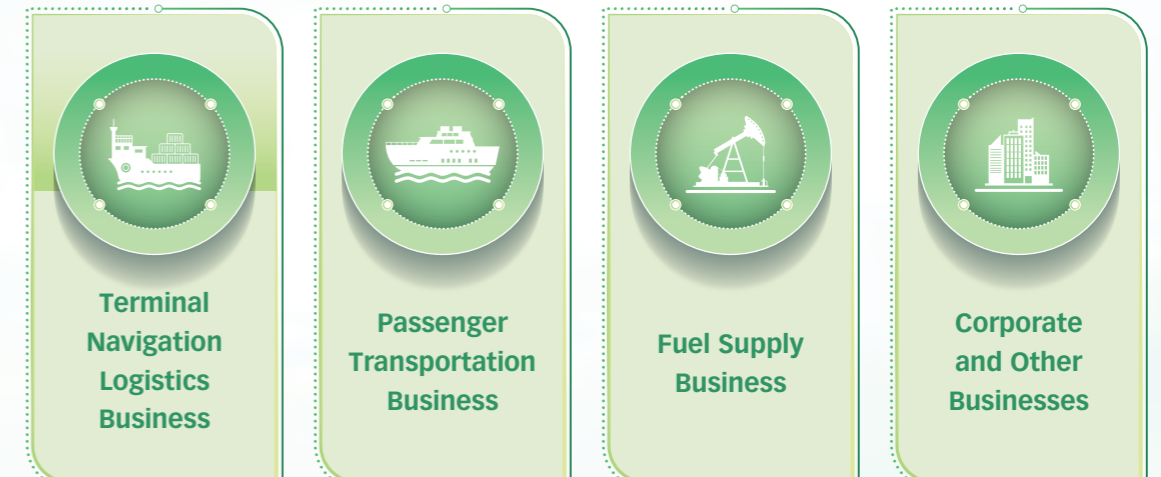
Address: 24/F., Chu Kong Shipping Tower, 143 Connaught Road Central, Hong Kong.

E-mail: [info-cksd@cks.com.hk](mailto:info-cksd@cks.com.hk)

## 2. ABOUT THE GROUP

CKSG (Stock Code: 00560) is a listed company incorporated in Hong Kong held by Chu Kong Shipping Enterprises (Holdings) Company Limited and is affiliated to Guangdong Provincial Port & Shipping Group Company Limited.

The Group is principally engaged in investment holding, focusing mainly on terminal navigation logistics, waterway passenger transportation, and fuel supply business.



The Group has established shipping business network that “Travels in the Pearl River Delta, Covers the Greater Bay Area and Reaches Southeast Asia”, and its business radiates to Guangdong, Hong Kong, Macao and countries and regions along the “Belt and Road”. The “CKS” corporate brand is well known in Guangdong, Hong Kong, Macao, and Southeast Asia.

The Group has a well-developed, vertical, and horizontal terminal logistics business system, and its business network extends to Singapore, Malaysia, Thailand, and other Southeast Asian countries. It holds and invests in more than 10 river terminal companies in the Pearl River Delta, wholly owns the private warehouse terminal in Tuen Mun, Hong Kong, and operates a number of berths in public cargo working areas in Yau Ma Tei, Butterfly Beach, and Gin Drinkers Bay, etc. We have a number of modernised warehousing bases, and those are well developed in cross-border e-commerce logistics, cold chain warehousing logistics, and high-end integrated logistics, and have established an integrated logistics service system in the Greater Bay Area based on port, shipping, and warehousing.

The Group's core business also includes the water passenger transportation business. The cross-border high-speed waterway passenger transportation based in Guangdong, Hong Kong, and Macao, has developed into the largest operation agent of waterway passenger transportation in the region. The Group also operates five inner harbour and outlying island ferry routes in Hong Kong. The fuel supply business of the Group focuses on the provision of diesel and lubricants for passenger ferries and cargo vessels, and other businesses of the Group cover the operation and management of facilities maintenance services for properties in Macao.

Moving forward, the Group will firmly grasp the strategic opportunities brought by the National "14th Five-Year Plan", the Guangdong-Hong Kong-Macao Greater Bay Area development, as well as the "Belt and Road" initiative. We are committed to leveraging these initiatives to enhance the well-being of the people in Hong Kong, harness the resources within the Bay Area, strategically plan for ASEAN integration, and drive the high-quality development of the Group.

By aligning our goals with these national and regional strategies, we aim to maximise synergies in the Greater Bay Area, explore "Belt and Road" opportunities, and foster strategic partnerships to optimise operations and expand our market reach. With a commitment to quality, innovation and collaboration, we confidently navigate the evolving landscape, advancing enterprise development for long-term success.



### 3. APPROACH TO SUSTAINABILITY

The Group is dedicated to integrating sustainable business practices into its daily operations. We strive to uphold the highest ethical standards, minimise our environmental footprint, respect the rights of our employees and make meaningful contributions to the community. We actively interact with stakeholders through diverse communication channels and foster transparency and accountability by openly sharing our ESG performance. Our overarching goal is to create value for all stakeholders and demonstrate unwavering dedication to sustainability.

#### 3.1. Governance and Compliance

The Group has established a robust governance structure to ensure comprehensive governance and seamless execution of our ESG commitments, covering three levels, including decision-making level, management level, and execution level. As the highest decision-making body, the Board oversees the Group's ESG issues across all business segments. The Governance Group for the ESG Report, as the management level, assists the Board in fulfilling its ESG oversight responsibilities and is accountable to the Board. At the execution level, the Working Group for the ESG Report supports the Governance Group for the ESG Report in implementing all ESG-related initiatives.



### The Board

The Board is responsible for the overall ESG management of the Group. It provides oversight of the Group's ESG management and gives final approval for the Group's ESG strategies, policies, targets, and approaches.

### Governance Group for the ESG Report

Spearheaded by one of the executive directors of the Company, the Governance Group for the ESG Report is comprised of general managers from different business segments. Under the full authority of the Board, it is responsible for assisting the Board in conducting its ESG supervisory duties and reporting to the Board regularly. Its main responsibilities are as follows:

- to assist the Board in providing strategic guidance, formulating sustainability policies and objectives, identifying key ESG factors and monitoring progress, and support the Board in incorporating sustainability considerations into the Group's business strategy and managing the ESG risks arising from its business arrangements;
- to assist the Board in establishing processes for identifying, assessing and managing significant ESG-related issues and risks;
- to establish good relationships with key stakeholders and achieve natural growth and sustainable development of the Group, and create value for key stakeholders by understanding their needs and concerns and improving business strategies to meet their expectations;
- to integrate corporate social responsibility into the Group's operations and implement various sustainable business practices on the basis of strict internal compliance in order to promote the Group's environmental and social sustainability gradually;

- to drive the Group to continuously optimise its operational practices to reduce social risks and bring more benefits to the community;
- to monitor the Group's strict compliance with laws and regulations relating to environmental protection that have a material impact on the Group, and whether the Group's subsidiaries have formulated relevant policies, management systems, practices and methods to manage their environmental impact in accordance with the nature and actual conditions of their business;
- to drive the Group to continue to meet its environmental responsibilities and reduce the environmental impact of its operations, and assist the Group in taking environmental considerations into account in its corporate decision-making process, as well as to conduct operations in accordance with reasonable environmental practices;
- to develop prevention and emergency response mechanisms to ensure that the Group can respond effectively and orderly in the event of major environmental pollution incidents and minimise damage to the environment; and
- to exercise its powers, authorisations and discretion in respect of ESG reporting as appointed by the Board to the Governance Group for the ESG Report from time to time by complying with the Hong Kong Companies Ordinance, the Listing Rules and the Articles of Association of the Company.





### Working Group for the ESG Report

The Working Group for the ESG Report is comprised of ESG representatives from all subsidiaries in the Group. It is responsible for implementing the Group’s ESG policies, collecting and compiling the data needed for ESG reporting, and reporting to the Governance Group for the ESG Report. Its main responsibilities are as follows:

- to assist the Governance Group for the ESG Report in the implementation of all ESG issues;
- to facilitate the exchange of best practices among the Company’s departments and subsidiaries and report relevant recommendations to the Governance Group for the ESG Report for integration into operations and procedures;
- to maintain continuous communication with key stakeholders and regularly collect their views through various channels such as meetings, workshops, surveys and feedback programmes;
- ESG representatives receive the ESG data collection form and distribute it to the relevant departments according to the contents;
- ESG representatives are responsible for the comprehensiveness and accuracy of the ESG data collection form submitted by their units;
- to urge all departments to fill in the ESG data collection form on time and accurately, and return the ESG data collection form to the Capital Operation Department of the Company on time;
- responsible for organising relevant personnel to answer questions from the Governance Group for the ESG Report and the consulting firm on the relevant contents of the ESG data collection form; and
- to complete an ESG report under the Listing Rules and submit it to the Governance Group for the ESG Report.

### Adhering to Our ESG Policy

To strengthen our ESG governance and guide the development and implementation of ESG initiatives, the Group has implemented the *Environment, Social and Governance Policy* (“**ESG Policy**”). This policy reflects our commitment to conducting business with environmental awareness and creating value for the communities in which we operate. It also outlines our sustainability vision, mission, commitment, and responsibility.

**Vision**  
We are devoted to becoming the most competitive navigation company and leading service provider in Guangdong, Hong Kong, and Macao through adopting innovation and sustaining our commitment to environmental protection.

**Mission**  
We strive for excellence in providing safe and reliable services to our customers with dedication, professionalism, and efficiency.

**Commitment**  
We are committed to adopting sustainable practices and operating our business in a transparent and ethical manner. We embed accountability in the workplace and take responsibility for our decisions and actions.

**Responsibility**  
We recognise that our employees make a significant contribution to the Group’s success. We therefore place great emphasis on providing a safe and healthy workplace and improving employee engagement.

During the Reporting Period, the Group has established the *ESG Working Manual*, which outlines the ESG governance structure, ESG policies, the management of ESG metrics and targets and the annual ESG workflows to enhance internal communication and ensure a comprehensive understanding of the Group’s ESG management policies and workflows among all employees.

• **ESG Risk Management**

The Risk Management and Internal Control Committee of the Group assumes a proactive leadership role in preventing and controlling risks, monitoring, and managing major risk events, as well as following up on the overall risk management performance report. The Board is accountable for conducting a comprehensive evaluation and identification of the Group’s main ESG risks and ensuring the establishment and maintenance of suitable and efficient risk management measures.

During the Reporting Period, the Group has identified major ESG risks through comprehensive scoring, based on the two dimensions of “risk occurrence probability” and “risk impact degree”, and the corresponding measures are as follows:

Significant ESG Risks	Potential Impacts	Response Approaches
Demand Fluctuation Risk	Due to the influence of the pandemic and global trends, the market demand fluctuates greatly, which has posed a risk to the Group in terms of wrong decision-making that could lead to financial losses, as well as greater financing pressure, affecting the Group’s reputation and brand image	<p>To adapt to the changes of the market environment, we should strengthen market development and potential exploration. In terms of marketing strategy, it is necessary to pay more attention to the high-return businesses such as air freight, bulk cargo, and comprehensive logistics, especially to strengthen the development of engineering logistics projects</p> <ul style="list-style-type: none"> <li>– Actively respond to shipping market risks by integrating resources from all aspects</li> <li>– Closely cooperate with transshipment and logistics terminals</li> <li>– Adjust the development model and seek new business growth points</li> </ul>

Significant ESG Risks	Potential Impacts	Response Approaches
Competition Risk	During operations, the Group is likely to face disordered competition from competitors, and the low-price strategy exacerbates the competitive environment. Furthermore, there is homogeneous competition among adjacent terminals within the Group and among ports in the same hinterland. To avoid related risks and prevent a decrease in revenue, the Group needs to take appropriate measures to ensure the realisation of its strategic goals	<ul style="list-style-type: none"> <li>– Increase service content, pay attention to service details, improve service quality, reach a level that other competitors cannot do, improve operational efficiency, strengthen cost control, reduce unnecessary operations, and solve common problems of container handling and inspection. Avoid deliberately lowering prices to attract customers, and adhere to the bottom line of prices</li> <li>– Expand comprehensive logistics and multimodal transport, expand the scope of business development, and establish cooperative relations with the Pearl River Delta major terminals to enhance the competitiveness of comprehensive logistics</li> <li>– Grasp the Group’s positioning in the market, improve our products and services quality, make the products and services more value-added, or reflect more value or value-for-money, close to customers, close to the market, deeply grasp the needs and pain points of customers, make characteristic services, and carry out differentiated marketing</li> </ul>

• **Ensuring Compliance with Operations**

The Group’s subsidiaries operate across various regions in Mainland China, Hong Kong, and Macao, consistently complying with the applicable laws and regulations in the regions where we operate. For more information, please refer to “Appendix 2” of this Report.

The Group has a comprehensive risk management system that involves all functional departments.

- The Legal Department provides legal advisory services in supporting the decision-making process of the Group, manages the Group’s legal and regulatory risk and enables the Group to conduct business legally.
- The Company Secretary is responsible for ensuring compliance with the Listing Rules of SEHK and serves as the principal channel of communication with the SEHK on behalf of the Group.
- The Audit Department conducts an annual audit to evaluate the sufficiency and effectiveness of our risk management and internal control systems of the Group and to examine whether our operation is in full compliance with all relevant laws and regulations. Moreover, the Audit Department provides regular updates to the Audit Committee.
- Other functional departments of the Group closely review the laws and regulations that have a significant impact on the Group, and formulate and refine various policies, standards, management measures and systems to govern the Group’s operation.

• **Operating with Integrity**

The Group always upholds high standards of ethics and integrity, striving to create a fair and equitable environment. The Group has a zero-tolerance policy in place and strictly complies with laws and regulations regarding bribery, extortion, fraud, money laundering, and other unethical business practices in the regions where we operate. During the Reporting Period, the Group has neither encountered any violations of laws and regulations that have a significant effect on the Group regarding bribery, extortion, fraud, and money laundering, nor have we received any lawsuits involving internal employees in bribery, extortion, and money laundering cases.

Preventing Illegal Acts

All employees are required to comply with the *Code of Conduct for Employee* stated in the Group’s *Employee Handbook*. This Code outlines employees’ responsibilities in preventing corruption and illegal activities such as bribery and misappropriation of funds. Moreover, employees are prohibited from accepting gratuities or gifts that exceed a certain amount. To avoid conflict of interest, all employees must sign the *Undertaking Letter of Integrity for Employee*, and are prohibited from pursuing any outside employment that may cause a conflict of interest.

The Group has formulated the *Chu Kong Shipping Anti-corruption Policy* that prohibits engaging in bribery or giving improper benefits to agents and public officials when conducting business with them. To identify and evaluate corruption risks, the Group conducts regular risk assessments. We have established an internal monitoring system to ensure effective monitoring and mitigation of corruption risks. In addition, the Group has the *CKS Internal Audit System* in place to evaluate and improve the effectiveness of the Group’s risk management and internal control. The Audit Committee will report to the Board on the internal control structure of the Group, and the internal audit function will help the Group to strengthen its internal control and risk management system, ensure that the established procedures and guidelines are strictly followed, identify and address management loopholes in a timely manner, and ensure the Group’s operational safety and risk prevention and resolution, so that the Group’s assets and resources can be better managed and utilised.

To raise awareness of anti-corruption practices, the Group arranges anti-corruption training to the Board and employees on a regular basis. These training sessions emphasise the risks associated with corruption and the significance of ethical business behaviour.



To raise the awareness of frontline and general staff on the vulnerability and corruption risk at work and equip them with skills to handle ethical dilemmas at the workplace, Sun Ferry invited ICAC to organise a seminar on “Ethics at Work”.



In January 2023, we invited ICAC to organise an anti-corruption training in Chu Kong Shipping Tower on relevant laws and regulations and common corruption risks in business practice for the directors and management to enhance their awareness and strengthen corporate governance.

The Group also collaborates with its business partners to ensure its business is conducted in an ethical and professional manner. We have formulated an *Integrity Agreement for Business Partners* to regulate our business activities and cooperation with our business partners, to protect the legitimate rights and interests of the Group and our business partners.

**Encouraging Whistleblowing**

To support the identification and report of any unethical business conduct or misbehaviour, the Group has a *Whistle-blowing Policy* in place. All relevant information will be kept confidential to protect the whistle-blowers, and their personal details must not be disclosed. All complaints and reports will be investigated thoroughly and fairly. During the Reporting Period, no legal cases regarding corrupt practices were brought against the Group or our employees.

**3.2. Stakeholder Engagement and Materiality Assessment**

The Group attaches great importance to stakeholder engagement and regards it to drive our sustainability progress. Engaging actively with our stakeholders helps us refine our sustainability strategy and improve our ESG performance, which also allows us to understand stakeholders’ expectations and identify opportunities for positive changes within the Group.

• **Engaging with Our Stakeholders**

The Group has established various communication channels and defined the frequency of communication to ensure ongoing engagement with our stakeholders. Through effective communication, we actively seek and value their perspectives and feedback on our ESG performance, which helps us to identify areas that need improvement and prioritise issues as we develop our business strategies.

Stakeholder Groups	Communication Channels	Communication Frequency
Regulatory Authorities	<ul style="list-style-type: none"> <li>On-site inspection</li> <li>Meeting</li> </ul>	<ul style="list-style-type: none"> <li>Regularly/as needed</li> <li>Regularly/as needed</li> </ul>
Shareholders and Investors	<ul style="list-style-type: none"> <li>Annual general meeting and other shareholder meetings</li> <li>Annual report</li> <li>Announcement</li> </ul>	<ul style="list-style-type: none"> <li>Annually</li> <li>Annually</li> <li>As needed</li> </ul>
Employees	<ul style="list-style-type: none"> <li>Meeting</li> <li>Group interview</li> <li>Performance appraisal</li> <li>Training, seminar, and briefing session</li> <li>Cultural and sports activity</li> <li>Newsletter</li> </ul>	<ul style="list-style-type: none"> <li>Regularly</li> <li>Regularly</li> <li>Annually</li> <li>Regularly</li> <li>Regularly/as needed</li> <li>Regularly</li> </ul>

Stakeholder Groups	Communication Channels	Communication Frequency
Customers	<ul style="list-style-type: none"> <li>Website</li> <li>Email</li> <li>Customer service hotline</li> <li>Satisfaction survey</li> </ul>	<ul style="list-style-type: none"> <li>Daily/as needed</li> <li>As needed</li> <li>As needed</li> <li>Annually</li> </ul>
Suppliers	<ul style="list-style-type: none"> <li>Open tendering</li> <li>Supplier evaluation and appraisal</li> </ul>	<ul style="list-style-type: none"> <li>As needed</li> <li>Annually</li> </ul>
Potential Investors and Financial Institutions	<ul style="list-style-type: none"> <li>Potential investor briefing</li> <li>Roadshow</li> <li>Analyst briefing</li> <li>Visit</li> </ul>	<ul style="list-style-type: none"> <li>As needed</li> <li>As needed</li> <li>As needed</li> <li>As needed</li> </ul>
Communities	<ul style="list-style-type: none"> <li>Information disclosure</li> <li>Website</li> <li>Email</li> </ul>	<ul style="list-style-type: none"> <li>Regularly/as needed</li> <li>As needed</li> <li>Daily/as needed</li> </ul>

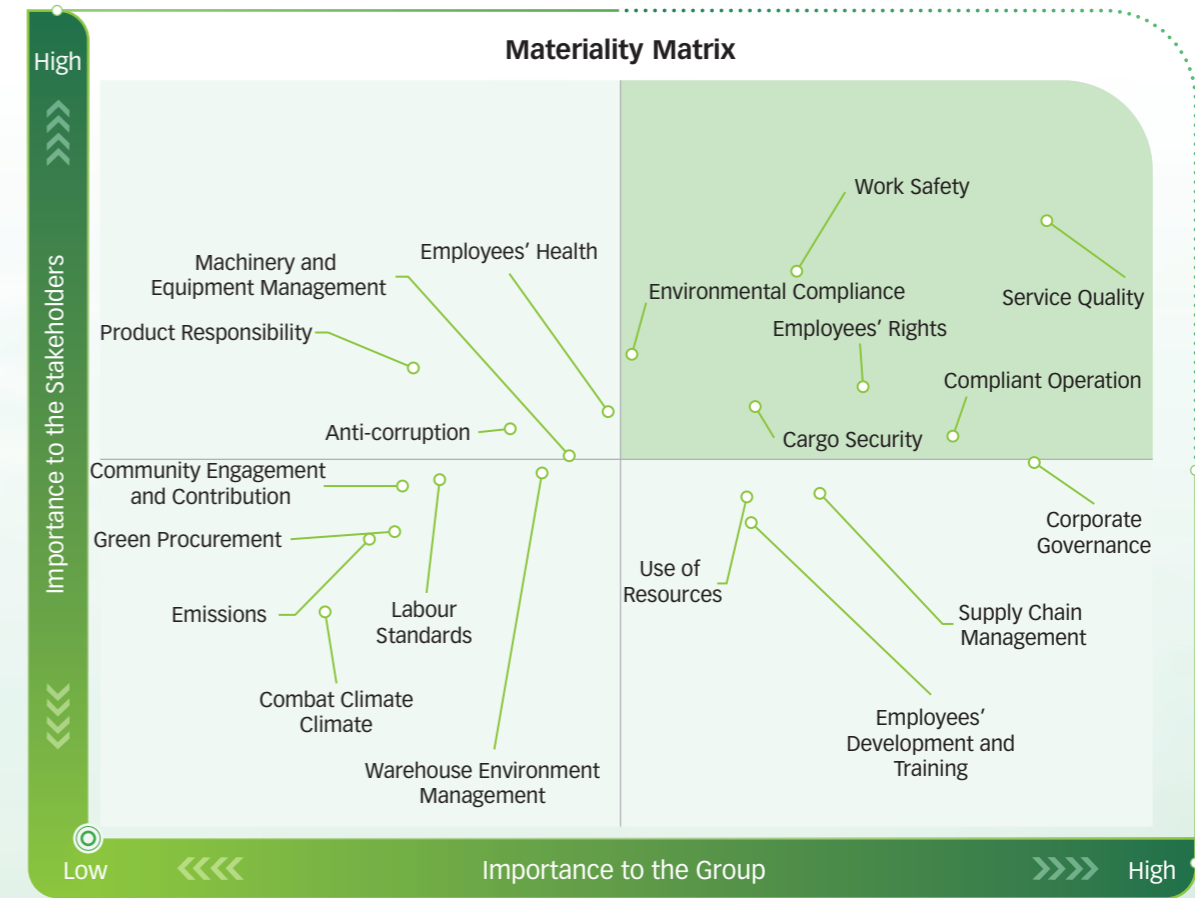


**Focusing on What Matters Most**

The Group recognises the importance of materiality assessment in driving sustainable development. This process allows us to prioritise and identify the most significant ESG issues based on feedback from both internal and external stakeholders. The outcomes of the materiality assessment inform our ESG reporting framework and serve as a compass for our strategic decision-making.

During the Reporting Period, the Group conducted a materiality assessment with the participation of the Group’s key stakeholders, in collaboration with an external consulting firm. To conduct the materiality assessment, the Group engaged the members of the Board, senior management, and five other key stakeholder groups (employees, major shareholders and investors, customers, suppliers, and the public) via a materiality survey. We received 110 valid responses in total. The specific process and the result of the materiality assessment in 2023 are detailed as follows:

<p><b>1. Identify</b></p>	<p>To investigate the ESG issues that are relevant to our business, the Group took reference from the local and international sustainability guidelines and standards, industry best practices, and the results of our communication with stakeholders during the Reporting Period. A total of 20 ESG issues relevant to the Group were identified.</p>
<p><b>2. Engage</b></p>	<p>The Group recognised our major stakeholders as groups or individuals who exert influence on or are affected by the Group and invited them to participate in an online survey as part of the materiality assessment process. They were asked to prioritise each ESG issue based on the level of importance.</p>
<p><b>3. Analyse</b></p>	<p>To analyse the relative materiality of each ESG issue, the Group consolidated stakeholders’ opinions and mapped the ESG issues on a matrix based on two aspects: “Importance to the Stakeholders” and “Importance to the Group”. The Governance Group for the ESG Report decided that the issues deemed highly important by both stakeholders and the Group (mapped on the upper right corner of the matrix) are considered the high-materiality issues of the Group.</p>
<p><b>4. Validate</b></p>	<p>The Governance Group for the ESG Report validated 6 high-materiality issues of the Group in 2023, confirming the focus of this Report.</p>



The high-materiality issues are as below:



#### 4. PROVIDING EXCELLENT SERVICE

The Group is committed to providing excellent services across its operations. We prioritise operational safety, security and efficiency, and spare no effort to optimise service quality and improve customer satisfaction. We also collaborate with suppliers to mitigate supply chain risks and promote sustainable development.

##### 4.1. Service Optimisation

The Group is dedicated to optimising service quality across all business segments through ongoing improvement and innovation. During the Reporting Period, we obtained the ISO 9001:2015 Quality Management System certification, demonstrating our ability to consistently deliver exceptional services while adhering to stringent quality control measures.

- **Container and Cargo Handling**

*Adhering to standardised work manuals*

The Group has formulated comprehensive work manuals covering all operations at cargo terminals, including loading, and unloading containers, unpacking containers, weighing containers and cargoes, warehouse operations, and other processes. Additionally, the Group has established a set of container inspection protocols and hired highly trained inspectors to conduct thorough inspections of the containers.

*Leveraging technology*

The Group maximise the use of technology to optimise operational efficiency at cargo terminals. We have implemented an advanced information management and business intelligence system to analyse operational data and facilitate better decision-making. This system incorporates essential information for smooth operations, including customer demands, fleet schedules, vessel details, containers, and cargo locations. Additionally, the Group applies the HK ETouch e-platform to meet customer requirements for container loading and unloading, customs clearance of cargoes, and cargo transportation. This platform enables customers to access up-to-date information regarding container locations and arrangements at the terminals, providing accurate and real-time logistics information.

In addition, Zhaoqing New Port has implemented an intelligent customs system, enabling the use of foreign trade berths for loading and unloading domestic vessels, thereby improving berth utilisation. It also implements a smart container yard with an intelligent handling system to prioritise the loading and unloading of containers that have been stored longer. These two initiatives both enhance operational efficiency.

*Improving terminal security*

The Group attaches great importance to terminal security. To minimise security risks and ensure the safety of containers and cargoes, we have implemented robust security infrastructures and deployed dedicated security teams at cargo terminals. The terminals are equipped with site perimeter fencing, security gates, security lighting, and surveillance cameras. Additionally, strict monitoring procedures are in place for personnel and vehicles, and the site is regularly patrolled.

During the Reporting Period, Gaoming Port has implemented a facial recognition system for monitoring individuals entering and exiting the premises, which has significantly enhanced efficiency and safety. It has also upgraded the vehicle recognition system to enhance the management of the parking area.

- **Passenger Transportation**

When it comes to passenger transportation, our primary focus is on enhancing the overall passenger experience by improving the punctuality and comfort of their journeys. Sun Ferry strives to provide, and CKPT works with ferry terminal operators and ferry companies to ensure a fast and seamless embarkation and disembarkation process for all passengers.

Sun Ferry is committed to implementing breastfeeding friendly practices and has launched the first-ever onboard breastfeeding room in Hong Kong. To date, breastfeeding rooms are available on all 5 of Sun Ferry's three-storey ordinary ferries. The marine-themed design conveys a sense of joy, and comprehensive amenities including a wash basin, sofa, and nappy changing pad offer a safe and cosy breastfeeding environment.

During the Reporting Period, Sun Ferry received the "Breastfeeding Friendly Premises - Blue Label" certification from the Hong Kong Committee for United Nations International Children's Emergency Fund and was awarded the "Breastfeeding Friendly Workplace". Moreover, Sun Ferry was awarded the "Most Inspirational Design Award Winner" in the corporate category of the Breastfeeding Room Design Competition.



Sun Ferry has strived to enhance its barrier-free facilities over the years. Sun Ferry not only facilitates disabled passengers with designated wheelchair spaces on different types of vessels, but also installs accessible washrooms on its vessels to cater to the special needs of the disabled passengers.

In support of the “2023 International Day of Persons with Disabilities”, Sun Ferry organised a special initiative called “Free Ride Day” on 12 November 2023 to offer free rides to the disabled passengers. Passengers presenting the “Registration Card for People with Disabilities” issued by the Hong Kong Labour and Welfare Bureau could enjoy free rides with one companion on Sun Ferry’s ordinary class of ordinary ferry.



- **Ensuring Fuel Quality**

The Group places utmost importance on maintaining operational integrity in its fuel supply business. We maintain transparent communication with customers, ensuring they are well-informed about the types and quantities of oil and lubricants provided. Additionally, we go the extra mile by supplying customers with the material safety data sheet (MSDS), which serves as an additional resource to enhance their understanding of our products. To ensure product quality, we conduct pre-inspections and oil sampling in collaboration with customers, further assuring the reliability of our products.

To ensure the continuous enhancement of fuel quality, Sun Kong Petroleum has a *Quality Management Manual* in place. It conducts an internal audit annually by the ISO 9001:2015 standard to identify any existing or potential problems and implement necessary improvements.

## 4.2. Customer Satisfaction

The Group is dedicated to surpassing customer expectations and fostering long-term relationships with them. We establish diverse communication channels to maintain excellent communication with our customers. In addition, we value customers’ opinions and needs and strive to incorporate them into our service improvement, making every effort to improve customer satisfaction and safeguard their rights.

- **Listening and Responding Attentively**

The Group has implemented the *Management Procedures for Customer Relationships* and other relevant policies and procedures to regulate customer interactions and strengthen our relationship with them. The roles of various departments and individuals in relation to customer involvement have been identified and outlined.

We understand the importance of customers’ opinions and suggestions as valuable assets for enhancing the quality of our services. To facilitate this, we have established multiple channels for customers to provide feedback. These include collection boxes and dedicated customer hotlines. Additionally, customers can share their feedback through various channels such as customer service hotlines, fax lines, emails, letters, phone apps, piers and onboard QR codes. These channels not only improve the speed of complaint handling but also increase customer satisfaction and service quality.

**Providing**  
Excellent Service

The Group promptly responds to complaints and takes immediate action to rectify the issue. Sun Ferry has created the *Customer Complaint Handling Procedure* and *Customer Complaint Registration Form* to manage customer complaints effectively. In addition, Gaoyao Port has also formulated its customer complaint handling procedures in its *Business Department Working Manual*. During the Reporting Period, the Group received a total of 390 complaints. All complaints received were handled properly.

Gaining insights into our performance from the customers' perspective is crucial for the Group. Therefore, we conduct a customer satisfaction survey every year to collect customers' feedback. The customer satisfaction rates for the terminal navigation logistics business and the fuel supply business are > 90% and 98.5% respectively.



Collection Box at Digital Port and Shipping

**Providing**  
Excellent Service

### 4.3. Data and Privacy Protection and Intellectual Property Rights Protection

The Group has implemented robust measures to protect customer data and privacy. Furthermore, we actively safeguard intellectual property rights to ensure compliance in our operations.

The Group takes great care in handling and processing customers' information to protect personal data and privacy. Sun Ferry has implemented a *Privacy Policy* in accordance with the *Personal Data (Privacy) Ordinance* to safeguard the collection and storage of personal data within its database. The Group strictly prohibits employees from disclosing any confidential information to external parties without the explicit consent of the Group. To further ensure the confidentiality of sensitive information, we hire professional third parties to handle the collection and destruction of confidential documents.

- **Valuing Customer Privacy and Persistence in Information Accuracy**

The Group places significant emphasis on safeguarding customer information, ensuring privacy and confidentiality. We strictly adhere to the *Management Measures for Brand Building* to regulate the dissemination of information within the Group. Notably, our Hong Kong and Guangzhou businesses have obtained ISO/IEC 27001:2013 Information Security Management System certification. Moreover, Digital Port and Shipping has the *Information Management Measures* in place to further enhance the management of information system. By establishing an information security management system, we ensure the secure handling of customer information. To ensure accuracy and authenticity, we strictly follow internal designated departments for the approval and dissemination of the Group's information.

- **Protecting intellectual property rights**

To safeguard intellectual property rights, the Group has developed the *Computer User Handbook*, which ensures the use of legitimate software. We also request the advertising company to comply with the practices to ensure our advertisements do not violate intellectual property rights.

During the Reporting Period, the Group did not encounter any cases of infringement of laws and regulations related to data privacy and security as well as intellectual property rights.



#### 4.4. Procurement Practices

The Group recognises the importance of effective supply chain management in terms of minimising supply chain risks and improving the service quality. We actively collaborate with our suppliers and partners to optimise our supply chain processes and enhance supply chain performance.

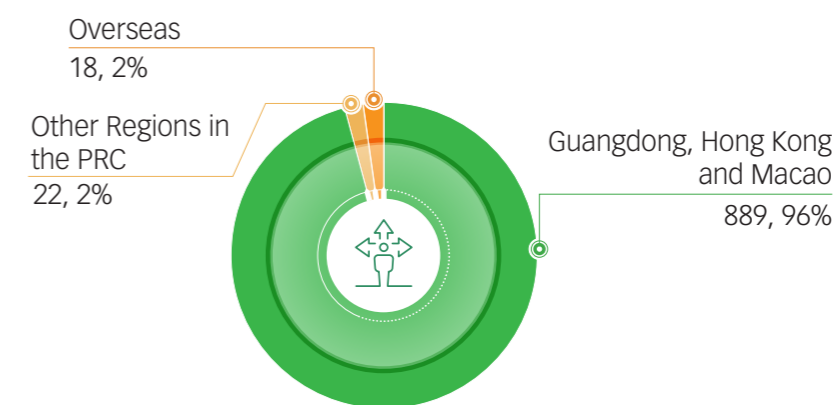
Adhering to the principles of “transparency, fairness, impartiality and integrity”, the Group has established a comprehensive tendering evaluation system and implemented rigorous supplier screening procedures. These procedures are outlined in the *Management Measures for Tendering and Bidding* and the *Procedures of Procurement Management*, which regulate the management of different types of suppliers within the Group. To ensure a thorough evaluation, the Group’s Technical Support Department collaborates with relevant departments to identify suitable suppliers and assess their qualifications and performance. Additionally, it is a requirement to invite a minimum of three potential suppliers for the tendering process to ensure a fair selection.

The Group strives to incorporate sustainable practices into its supply chain management. We seek to collaborate with suppliers who share the same values as us. In addition to assessing the cost, reputation, and delivery of potential suppliers’ products and services, the Group also evaluates the social and environmental performance of suppliers. Sun Ferry has established the *Supplier Code of Conduct* to regulate suppliers’ behaviours and promote sustainable development. The *Supplier Code of Conduct* outlines requirements in different ESG aspects, including compliance laws and regulations, moral integrity, forced labour, and child labour, working hours and remuneration, workplace health and safety, discrimination and rights, and environmental protection. The preference is given to the suppliers who can demonstrate commitment to upholding sustainability principles listed in the code during the suppliers’ selection process.

The Group also promotes green procurement during its operations. For the procurement of vehicles for transportation services, it is a requirement to meet the vehicle emission standards of China V/Euro V or above, and the vehicles should be hybrid or electric. For the procurement of office equipment and electrical appliances, it is a requirement to meet one of the following standards or above, including the China Energy Label Grade 4, the Energy Label Grade 1, and the Energy Star. We also utilise environmentally friendly technologies and purchase low-pollution fuels.

We conduct annual performance evaluations of our current suppliers in accordance with the criteria and procedures outlined in the *Regulations Governing Integrated Supplier Evaluation*, aiming to ensure that our suppliers meet our specified requirements. In cases where suppliers do not meet our specifications, they are requested to develop rectification plans and take appropriate corrective actions, to maintain the quality and to drive continuous improvement within our supply chain.

During the Reporting Period, the number and percentage of our suppliers<sup>1</sup> by geographical region are as follows:



<sup>1</sup> Types of suppliers mainly include shipowners, manufacturers and distributors of machinery and mechanical parts, tire suppliers, fuel suppliers, and service providers.

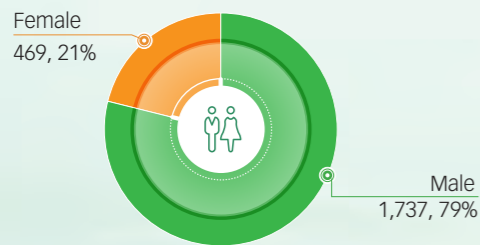
## 5. ADHERING TO PEOPLE-ORIENTED

We recognise that our employees are valuable assets of the Group. The Group strives to safeguard their physical and mental well-being and foster an environment that encourages our employees to actively contribute to our ongoing success and to develop their careers.

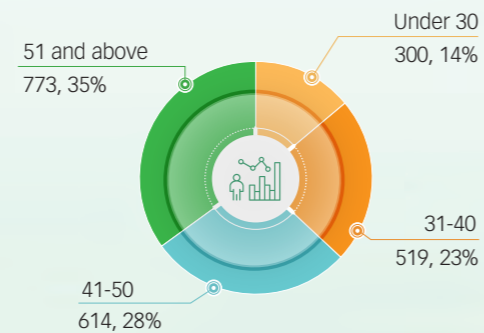
### 5.1. Employment Profile

As of the end of the Reporting Period, the Group has 2,206 employees, including 2,152 full-time employees and 54 part-time employees. During the Reporting Period, the overall turnover rate of the Group is 14.4%. The composition of our workforce by gender, age group, employment category, and geographical region are as follows:

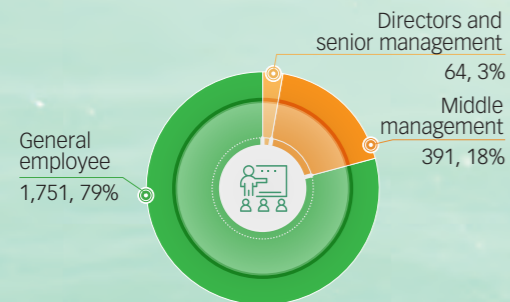
Percentage of  
Employee by Gender



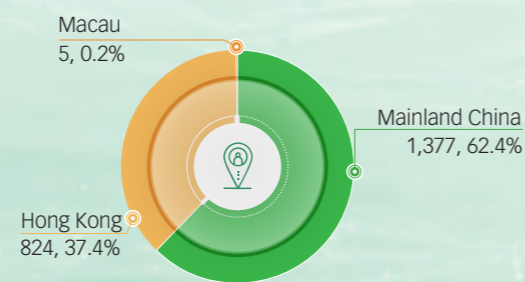
Percentage of  
Employee by Age Group



Percentage of Employee by  
Employment Type



Percentage of Employee by  
Geographical Region



## 5.2. Employee Development

The Group adheres to a people-oriented approach in employee management and actively recruits and retains talent. We retain our employees by implementing employee policies that respect and protect their rights, maintaining effective communication with them, and investing in their personal development.

- **Adopting Reasonable Employment Practice**

To manage employment practices, the Group has established the *Employee Handbook*, the *Employee Promotion Management System*, and other policies and standards.

During the Reporting Period, the Group has not violated any laws and regulations that have a significant impact on the Group regarding compensation and dismissal, recruitment and promotion, working hours, rest periods, equal opportunity, diversity, anti-discrimination, other benefits and welfare, and preventing child and forced labour.

### Fair and Reasonable Recruitment and Dismissal

The Group seeks and hires the right employees, regardless of gender, nationality, race, sexual orientation, marital status, and any other protected status under applicable laws and regulations. All candidates are treated fairly by adopting a rigorous recruitment process focusing on candidates' qualifications capacity and work experience.

The Group strictly prohibits unfair or unreasonable dismissal, and the termination of labour contracts and dismissal of employees are carried out in strict compliance with the relevant laws and regulations to protect the rights and obligations of both employees and the Group. Relevant dismissal conditions and rules are stipulated clearly in the *Employee Handbook* and the *Dismissal Management System*.

### Merit-based Remuneration and Promotion

The Group offers a comprehensive remuneration package to employees with reasonable terms. The Group conducts performance reviews according to the *Regulations on Employee Performance Review* and promotes employees based on their working performance. The review also enables management to assess what employees have accomplished and provides recommendations on how to achieve career goals. The Group has formulated the *Employee Promotion Management System* to govern the promotion criteria and procedures and to encourage employees to enhance their capabilities.

Proper Working Hours Management

Based on the Group’s business nature, both standard and flexible working hours systems are adopted to suit the operational needs. To ensure appropriate work and rest schedules are arranged for employees, the Group stipulated the working days, normal working hours, and rest periods of employees in the *Attendance Management Standard* and it includes the appropriate arrangement of providing monetary compensation or granting time off to compensate for overtime work. The Group guarantees that all employees enjoy statutory holidays and non-statutory holidays such as marriage leave, maternity leave, funeral leave, and paid annual leave.

Prevent Forced Labour and Child Labour

The Group strictly follows labour laws and regulations in areas where it operates and prohibits any form of child labour or forced labour. To prevent forced labour, the Group properly regulates employees’ working hours and rest periods. We would never force employees to work against their wills with violence or intimidation, or by restricting their freedom. To avoid child labour, the Group requires candidates to provide proof of identity and candidates without valid identity proof would not be considered. If child labour and forced labour are discovered, the Group will immediately take actions to stop such from happening.

- **Focusing on Employee Engagement**

The Group is committed to cultivating employee loyalty and commitment by establishing a happy and balanced workplace where employees feel respected and valued. We also maintain positive relationships and open communication with our employees throughout their tenure with the Group.

In addition to statutory requirements, the Group offers additional benefits to employees, aiming to boost workplace morale and enhance employee retention. These benefits include holiday and festival subsidies, meal and transportation provisions, residential allowances, and other benefits. We maintain regular communication with our employees through diverse channels, including WeChat groups, team meetings, performance appraisals, and suggestion boxes. We highly value constructive feedback and opinions from our employees and respond to them accordingly.



Gaoming Port actively collected employee feedback through staff communication to continuously enhance human resources management.

The Group also arranged various activities for employees to enhance team cohesion.



To enhance communication and interaction among employees, Shenzhen Zhu Chuan organised a DIY snowy mooncake activity. This activity aimed to promote and preserve the traditional Chinese culture, while also enriching the cultural life of our employees and creating a joyful and harmonious festival atmosphere.



The Group organised the basketball friendship invitational tournament in 2023, which attracted a total of 16 teams from 23 participating units. Through this event, we enhanced communication and cooperation among employees and promoted high-quality development of various undertakings.



Zhaoqing New Port, in collaboration with the Zhaoqing Regional Ports, organised the “Healthy Kids, Happy Kids” parent-child activity in 2023, attracting nearly 120 people from 50 families to participate. While bringing fun and knowledge to children, this activity also provided a platform for employees and their children to enhance their relationships.



The Group organised birthday celebrations for employees to create cherished memories together and strengthen their overall sense of belonging.



As a gesture of gratitude and appreciation for our employees who diligently adhere to their duties under extremely hot weather, Sun Ferry distributed refreshing beverages to them during the summer and closely monitored their well-being.

Investing in Employee Development

The Group acknowledges the significance of training in unlocking employees' potential and supporting business development. During the Reporting Period, the Group has the *Talent Development Management Measures* and the *Implementation Guide of Talent Development and Management* to establish a mentorship program for new hires. Upon joining the Group, each new employee is assigned two mentors: an integrated mentor and a job-specific mentor. The integrated mentor focuses on enhancing employees' overall capabilities, offering guidance on career planning, while the job-specific mentor provides training on specific job responsibilities. Furthermore, the Group offers a diverse range of business and function-specific training programmes to equip employees with the necessary skills for their roles, fostering their growth and enhancing their performance.

Training Topics		
<b>Terminal Navigation Logistics</b>	<b>Passenger Transportation</b>	<b>Fuel Supply</b>
<ul style="list-style-type: none"> <li>• Container and terminal management</li> <li>• Components and maintenance of trailer trucks, reach stackers and other machinery</li> <li>• Operation procedures in bonded warehouses</li> <li>• Digital operation</li> <li>• Accounting</li> </ul>	<ul style="list-style-type: none"> <li>• Communication skills</li> <li>• Complaint handling</li> <li>• Ferry terminals management and operation</li> <li>• Number and type of ferry</li> <li>• Passenger safety and well-being</li> </ul>	<ul style="list-style-type: none"> <li>• Ship management</li> <li>• Work safety</li> <li>• Quality management</li> </ul>



During the Reporting Period, the Group arranged a comprehensive skills enhancement training programme for its employees. Through various methods such as engaging in theoretical discussion, participating in question competition, and interacting through games, this training programme enhances the competence and quality of employees to further drive the high-quality development of the Group.



During the Reporting Period, Sun Ferry regularly organised service training to enable employees to learn and master essential service attitudes, thereby continuously improving the service quality.



### 5.3. Safety and Health

The Group highly values the health and safety of its employees and strives to create a secure and healthy work environment. We have established a comprehensive management system to ensure the safety of our daily operations.

- Safety in the first place**

The Group puts the safety of its employees at the first place. We promote safety management through four-pronged approaches, including implementing safety management systems, setting safety performance indicators, arranging safety training, and conducting safety inspections and supervision.

Management  
Systems

The Group has implemented several safety management systems to maintain a high safety level. We have the *Safety Operation Liability System* in place, which clearly defines the roles and responsibilities of each party, to guarantee that the safety management and procedures are followed meticulously at different levels of every business segment.

Performance  
Indicators

Setting performance indicators is crucial for evaluating operational safety performance. The Group requires subsidiaries to set performance indicators, such as the number and rate of work-related fatalities, number and rate of severe work injury, number of accident cases, and other performance indicators to better measure, monitor, and manage safety performance.

Training

The Group continues to arrange training in the safety management systems. All new employees must complete safety induction training, while ongoing job-specific trainings are offered to employees to equip them with comprehensive knowledge of safe operation and develop safety skills for their roles.

Inspections and  
Supervision

To enhance the Group's safety standards, regular safety inspections are carried out to identify and monitor potential safety hazards. We pay attention to safety inspection plans for machinery, equipment, and working environment. Comprehensive inspections are conducted routinely, including daily, monthly, seasonal, and annual inspections.

During the Reporting Period, the Group did not violate any laws and regulations that significantly impacted the Group about providing a safe working environment and protecting employees from occupational hazards.

Safety performance	Unit	2023	2022	2021
Number of work-related fatalities	No.	0	1	0
Work-related fatalities rate	%	0%	0.04%	0%
Lost days due to work injury	Days	433	605	880

- Safety Training**

The Group has implemented stringent safety measures and protocols in all operational sites to ensure the safety of our employees and customers. To foster a strong safety culture in the workplace, we arranged various safety trainings to keep our employees abreast of the latest safety regulations and practices. Additionally, we regularly conduct drills and simulation exercises to prepare for emergency situations.

*Cargo Terminal Safety*

Machinery and fire safety are recognised as the two major safety concerns at cargo terminals. To secure terminal safety, the Group keeps enhancing the safety management of machine operation and fire hazard prevention.

Fire safety and warehouse safety are important issues for cargo handling and storage. To mitigate the risk of fire, the Group has implemented various measures to prevent fire incidents. These measures include regular fire inspections, maintenance of fire service installations and equipment, and conducting fire drills to prepare for emergencies. Additionally, we maintain good warehouse housekeeping all the time to ensure and improve safety.



During the Reporting Period, Doumen Port organised fire safety training to equip employees with the knowledge to use fire extinguishers effectively. Additionally, they conducted fire evacuation drills to ensure preparedness in the event of a fire emergency.



During the Reporting Period, Huangpu Port carried out emergency rescue exercises on vessel LNG filling operation safety accidents, which strengthened the coordination and interaction between vessels, docks, filling stations and various departments of local government.

Ensuring machinery safety is of utmost importance as inadequate safety measures during machine operation can pose significant risks to the employees at the cargo terminals. To prevent workplace accidents, the Group keeps enhancing both the working environment and equipment safety. By providing employees with safe and reliable machinery along with clear operating guidelines, we ensure the safety of machine operators. In addition, regular machinery maintenance is carried out to preserve their condition and prolong their lifespan. This proactive approach plays a crucial role in preventing workplace injuries and fatalities that may result from malfunctioning machinery, thereby maintaining a safe working environment for all employees.



During the Reporting Period, Qingyuan Port conducted specialised equipment (crane) injury accident emergency drills to enhance employee safety awareness.

Fleet Safety

To enhance fleet safety, all drivers must undergo mandatory safety training to reinforce their understanding of operational safety policies. Monitoring and supervision are integral components of our safety measures, including daily mandatory alcohol tests for drivers before their shifts, real-time tracking of vehicle speed and location, and regular fleet inspections and maintenance. Furthermore, emergency plans are in place, along with regular accident analyses, to proactively address and mitigate potential risks.



During the Reporting Period, Qingyuan Port also conducted emergency drills and training on vehicle injury accidents, with an aim to enhance employees' ability to respond to unexpected incidents.

Ship Safety

The Group also attaches foremost importance to ship safety. We have established relevant safety regulations and implemented several safety measures to ensure that ships are managed safely.

Passenger and Crew Safety

The Group assumes a strong responsibility for ensuring the safety of passengers and employees on ferries and ships. We have implemented the *Safety Management Manual for Ships* and other standards and guidelines to guide employees on daily maintenance and inspections, ensuring the proper functioning and safe operation of our ferries and ships. Additionally, we provide instructions to subsidiaries in the passenger transportation business on managing and responding to scenarios such as severe weather conditions and fires. These help eliminate potential risks and ensure the safe operation of our ferries, ships and cruise ships.

## Adhering to People-oriented

We also conduct emergency drills, including spill collision, stranding of the ferry, and hull damage simulation, to enhance preparedness and situational awareness of the subsidiaries under the passenger transportation business. Regular safety training is conducted to foster a safety-conscious culture and to ensure that the Group's safety standards are communicated effectively. During the Reporting Period, no significant safety accidents occurred in passenger transportation.



During the Reporting Period, Sun Ferry held the Safety Seminar periodically. In addition, staff were arranged to participate in a variety of drills to improve their emergency response capabilities and to ensure the safety of runs and passengers on board, and a joint ship-shore drill to test the response capabilities of various departments in emergency situations. This drill facilitated coordination in the event of an accident and strengthened communication between the ship and shore, deepening different departments' awareness of their roles in crisis management.

## Adhering to People-oriented



To uphold the safety of passengers, all vessels under Sun Ferry's fleet are equipped with adequate life jackets on par with the Marine Department's standards. In addition, the first aid kit is installed on the ferry that mainly contains basic first aid supplies. In the event of passengers sustaining injuries on board, they can seek assistance from our crewmembers and utilise the first aid supplies.



Sun Ferry has also installed the Automated External Defibrillator (AED) at Central Pier 5, Cheung Chau Pier, and Mui Wo Pier, and employees are arranged to take relevant training courses.



• **Health and Wellness**

The Group is committed to safeguarding the health and well-being of our employees. We strive to create a comfortable work environment for our employees and implement initiatives to help them manage stress and maintain a healthy body. These measures reflect our care for employees and aim to inspire their motivation at work and improve productivity.



Gaoming Port organised various sports activities such as badminton and basketball tournaments for employees during their free time to promote their physical well-being.



Gaoyao Port places significant importance on the mental well-being of our employees. During the Reporting Period, it organised a lecture on employee well-being.

Occupational Health Management

The Group ensures that employees are equipped with suitable personal protective equipment tailored to their specific job requirements, including cotton gloves and oil-proof PVC gloves. Recognising the impact of fatigue on employee health, safety and job performance, the Group proactively prevents fatigue-related accidents by implementing reasonable work schedules that avoid excessively long shifts. Furthermore, the Group offers designated common rooms and adequate break times for employees to rest and rejuvenate.

## 6. GREEN DEVELOPMENT

The Group strives to reduce its environmental footprint while pursuing business excellence. We strictly adhere to environmental laws and regulations in all the locations where we operate and implement measures to minimise its impact on the environment.

The Group's *ESG Policy* reflects its vision and commitment regarding environmental protection. We incorporate green management in every business segment. We continuously assess the environmental impact of our operations and implement appropriate measures to reduce the impact, aiming to contribute to a greener future.

During the Reporting Period, the Group did not violate any laws and regulations that significantly impacted the Group in relation to air and GHG emissions, discharges into water and land, and generation of hazardous and non-hazardous waste.

During the Reporting Period, the Group has established environmental targets to improve environmental management. By setting environmental targets at the Group level, we enhance the coordination of our sustainability efforts and leverage synergies across all subsidiaries. This enables us to drive continuous improvement in the Group's environmental performance and effectively address key environmental challenges. In addition, regular progress reviews of these targets ensure our commitment to ongoing improvement and sustainability practices.

The progress of the environment targets in 2023 are as follows:

Environmental targets	Indicators	Timeframe	Action plan
<b>Air pollutant emission</b>			
Reduce air pollutant emissions	Reduce pollutant emissions from vehicles	Medium-term	<ul style="list-style-type: none"> <li>Conduct regular maintenance and inspection on vehicles</li> <li>Gradually convert official vehicles to low-emission/zero-emission vehicles, and increase the use of electric vehicles</li> </ul>
	Reduce pollutant emissions from vessels	Long-term	<ul style="list-style-type: none"> <li>Increase the use of cleaner marine fuels (e.g., use of low-sulphur oils)</li> <li>Provide shore power services to vessels at berth and increase shore power equipment</li> <li>Build or charter energy-efficient and environmentally-friendly vessels (such as LNG vessels)</li> </ul>
<b>Greenhouse gas (GHG) emission</b>			
Reduce GHG emissions	Improve the existing GHG management system and reduce GHG emissions	Short-term	<ul style="list-style-type: none"> <li>Establish a complete data collection system</li> <li>Reduce unnecessary business travel, first and business class usage</li> </ul>

Environmental targets	Indicators	Timeframe	Action plan
<b>Waste generation</b>			
Reduce waste at the source	Reduce the use of disposable materials	Short-term	<ul style="list-style-type: none"> <li>Purchase reusable cutlery</li> </ul>
Increase waste recycling rates	Separate and recycle waste	Short-term	<ul style="list-style-type: none"> <li>Set up recycling bins for non-recyclable and recyclable waste</li> </ul>
	Increase the recycling rate of all types of waste	Medium-term	<ul style="list-style-type: none"> <li>Identify items that can be recycled and reused and arrange for recycling or reuse elsewhere</li> <li>Arrange recyclers to collect various types of waste</li> </ul>
<b>Air pollutant emission</b>			
Promote green office	Reduce paper use	Short-term	<ul style="list-style-type: none"> <li>Promote paperless office, encourage electronic documents to replace paper and use double-sided printing as much as possible to reduce paper waste</li> </ul>
<b>Energy efficiency</b>			
Reduce energy waste	Reduce office energy consumption	Short-term	<ul style="list-style-type: none"> <li>Use/purchase energy-efficient equipment (e.g. LED lamps, energy-efficient refrigerators, etc.)</li> <li>Advocate turning off lights, computers and other electrical equipment that are not in use, and turn off the screen before leaving</li> </ul>
			<ul style="list-style-type: none"> <li>Replace air-conditioning chillers in office buildings and select more environmentally friendly central air-conditioning cooling systems</li> </ul>
	Reduce vehicle fuel consumption	Short-term	<ul style="list-style-type: none"> <li>Regular record vehicle fuel consumption and optimise vehicle transport routes</li> </ul>
Reduce energy consumption of vessels	Reduce energy consumption of vessels	Long-term	<ul style="list-style-type: none"> <li>Reduce shore power consumption of vessels</li> <li>Optimise vessel routes</li> <li>Control vessel speed</li> </ul>

Environmental targets	Indicators	Timeframe	Action plan
<b>Energy efficiency</b>			
Improve energy efficiency	Improve fuel consumption efficiency of vehicles	Short-term	<ul style="list-style-type: none"> <li>Conduct regular vehicle energy efficiency testing and regular vehicle maintenance inspection to improve fuel consumption efficiency</li> </ul>
	Build smart, automated and digital terminals	Medium-term	<ul style="list-style-type: none"> <li>Adopt the intelligent lighting system at the terminals</li> </ul>
	Energy management	Long-term	<ul style="list-style-type: none"> <li>Establish an Energy Management System</li> </ul>
	Promote terminal electrification	Long-term	<ul style="list-style-type: none"> <li>Increase electric dock equipment</li> </ul>
Promote the use of renewable energy	Promote renewable energy projects	Long-term	<ul style="list-style-type: none"> <li>Promote the use of renewable energy</li> </ul>
<b>Water efficiency</b>			
Reduce water waste	Reduce water consumption	Long-term	<ul style="list-style-type: none"> <li>Adopt water-saving equipment and processes</li> <li>Increase the use of recovered and recycled water</li> <li>Conduct regular water testing and checking for leaks</li> </ul>
<b>All environmental categories</b>			
Promote the awareness of environmental protection and conservation	Set up an environmental protection bulletin	Short-term	<ul style="list-style-type: none"> <li>Set up environmental signs and slogans in public facilities and equipment (energy equipment, water equipment, etc.)</li> </ul>
	Provide staff with environmental protection trainings	Long-term	<ul style="list-style-type: none"> <li>Carry out environmental training from time to time</li> </ul>

## 6.1. Green Operation

### • Improving Ambient Air Quality

The Group acknowledges the potential impact on the air quality of local communities and surrounding areas of cargo terminals due to its vessels operating and berthing at cargo terminals. The major air pollutants from the Group are attributed to vessels operating and berthing at cargo terminals, including sulphur oxides (SO<sub>x</sub>), nitrogen oxides (NO<sub>x</sub>), and particulate matter (PM). To mitigate our impact on the air quality of nearby communities, we continuously monitor and regulate emissions from our vessels to improve air pollution control.

#### Providing Onshore Power Supply

The Group has equipped all its cargo terminals in Mainland China with shore power facilities to minimise the reliance on diesel generators and cut down emissions from fossil fuel combustion of vessels during berthing. This initiative allows vessels to connect to a land-based power source, eliminating the necessity for continuous operation of onboard auxiliary generators.



#### Supplying Light Diesel with Low Sulphur Content

Sun Kong Petroleum is dedicated to lowering emissions from vessels by strictly complying with the legal limit of 0.05% for sulphur content in light diesel during marine bunkering services in Hong Kong. This measure is crucial for enhancing the quality of the surrounding air and diminishing the effects of air pollution on coastal communities.

Employing Electrical Machinery

The Group has introduced an electric forklift for container handling at cargo terminals, aiming to reduce the emission of nitrogen oxides and other pollutants produced by diesel-operated equipment. This is an important step in improving ambient air quality.



Promoting environmentally friendly vessels

The Group is committed to promoting the development of electric vessels to reduce the environmental footprint of vessel operations. Sun Ferry has signed a funding agreement with the Environmental Protection Department of Hong Kong (EPD) for the Pilot Scheme for Electric Ferries (Pilot Scheme). This collaboration aims to assist in testing the practical application of electric ferries and propel the development of Hong Kong's ferry industry into a new era. Electric ferries offer benefits such as reduced fuel consumption and lower emissions of exhaust gases.



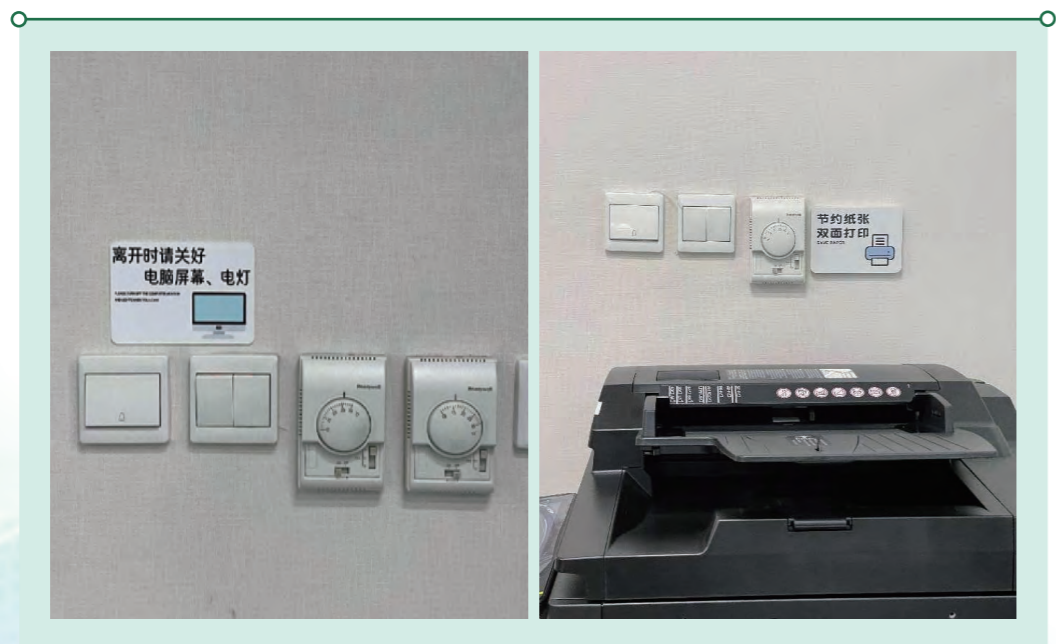
Sun Ferry has also signed contracts with two shipbuilding companies, marking a new chapter in its ship construction plans. Following the signing of these contracts, Sun Ferry will work closely with the shipbuilding companies to contribute to the environmental transformation of Hong Kong's ferry industry.



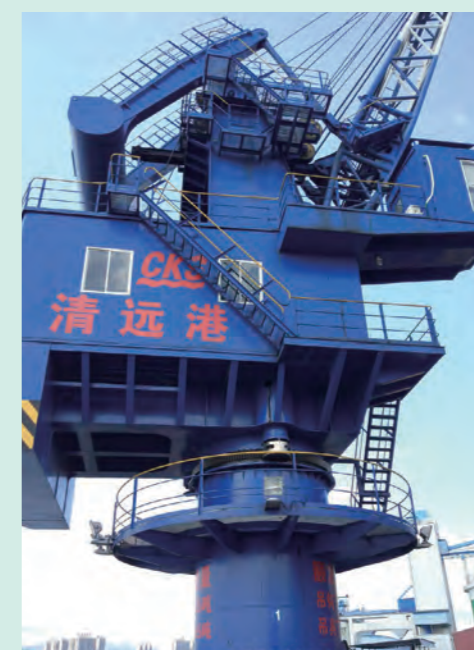
• **Reducing Energy Consumption and Greenhouse Gases Emissions**

The Group is dedicated to reducing its carbon footprint by minimising fuel and electricity consumption, the primary sources responsible for the Group’s overall GHG emissions of 64,451.56 tCO<sub>2</sub>e, with Scope 1 and Scope 2 GHG emissions accounting for approximately 55,588.66 tCO<sub>2</sub>e and 8,862.90 tCO<sub>2</sub>e respectively.

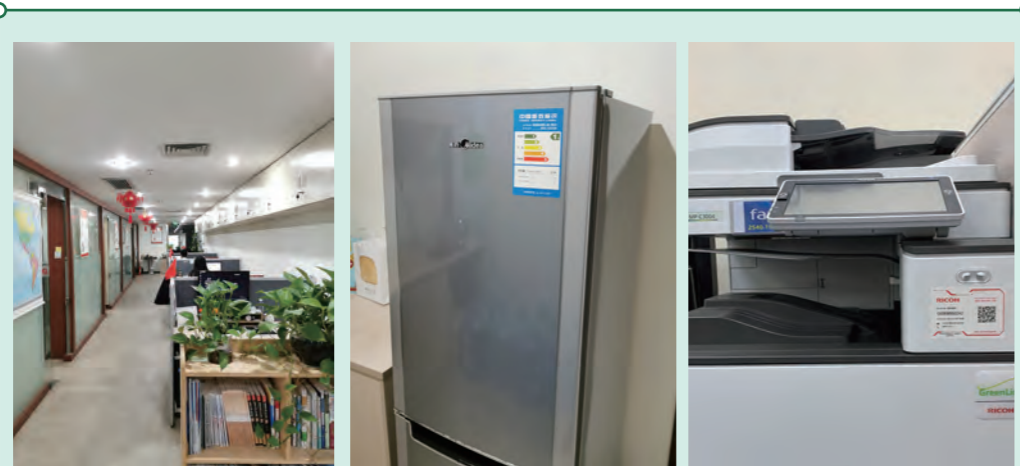
The Group is committed to enhancing energy efficiency and reducing energy consumption. We have put into effect various energy conservation and emission reduction initiatives. These include encouraging energy-saving practices in the workplace, procuring energy-efficient equipment, adopting renewable energy, conducting routine inspections and maintenance of machinery, vehicles, ferries and vessels, as well as appointing dedicated personnel to monitor and document energy consumption. To raise employees’ awareness, we conduct environmental training and post slogans on saving electricity and paper in the office, striving to create a green office.



Sun Ferry installed a total of 323 solar panels with a total capacity of 109.85 kW that were distributed on the rooftops of the office building and two warehouses respectively. These solar panels collectively generate an average of 10,200 kWh of electricity per month, which are sold to China Electric Power Limited.



Qingyuan Port implemented a quota management system for trailer fuel consumption and had introduced a fuel-saving incentive policy, aligning with our commitment to energy conservation. As part of these efforts, in 2023, we purchased a new energy-powered front-end loader to reduce fuel consumption.



The Group actively procures various energy-efficient devices, including energy-saving lights, refrigerators and printers, to reduce energy consumption.



The Group also prioritises online methods such as video conferencing for work communication to reduce GHG associated with transportation, such as air travel and railways.

• **Preserving Water Resources**

The Group obtains its water supply from municipal sources. We did not have any issues in sourcing water during the Reporting Period. Despite not being a water-intensive industry, the Group actively endeavours to reduce water consumption through diverse water-saving initiatives. The Group also posted water-saving signs in the restrooms to raise awareness among employees about the importance of water conservation and encourage them to adopt water-saving practices in their daily routines.

Sun Ferry utilises the pumps from the onboard air conditioning systems to extract seawater and enhance the flushing system on the five fast ferries. This implementation ensures a continued practice of using saltwater instead of freshwater for toilet flushing. As a result of this initiative, the five ferries have reduced the amount of freshwater used for flushing by 861,000 litres from January to October 2023.



Zhaoqing Kangzhou Port leveraged a rainwater collection system within the terminal to collect water for reuse in landscaping or dust suppression, conserving water resources.



The Group prioritises effective management of wastewater discharge, especially at its coastal cargo terminals. We have constructed wastewater treatment facilities within the terminals' boundaries. These facilities ensure that all wastewater is appropriately treated before discharge. Additionally, measures are in place to collect wastewater at the terminals, preventing discharge and pollution in the adjacent coastal areas.



• **Effective Utilisation of Materials and Waste Reduction**

The Group is dedicated to minimising waste generation at its source by maximising resource utilisation. Adhering to regulatory requirements, the Group ensures the responsible management of waste, employing qualified third parties to handle and dispose of both non-hazardous and hazardous wastes in a manner that safeguards the environment and surrounding communities.

The Group actively collects and reuses used tires at its cargo terminals, aiming to reduce waste tire volume and the consumption of new tires. Tires that are no longer useful due to irreparable damage are disposed of according to standardised procedures. During the Reporting Period, a total of 1,291 tires were refurbished and reused. Apart from reusing tires, the Group has established recycling facilities at its operational sites to segregate unavoidable wastes, including used lamps and waste metal, for recycling purposes. Consistently, the Group conducts awareness campaigns on waste sorting to promote material recycling.



During the Reporting Period, Civet Port refurbished used tires for reuse, and any tires that could not be refurbished were sent to tire retreading facilities for recycling. Steel wires, scrap iron, and wastepaper were collected and recycled by waste recycling companies.

The Group also optimises the time interval and volume of oil and lubricant replacements to avoid any premature disposal of oil and lubricants, and to reduce the amount of generated waste oil from the replacement process. No abnormality was detected in the amount of waste oil generated during the Reporting Period.

To enhance the management of waste disposal, the Group has implemented waste sorting requirements and placed waste classification bins to facilitate the recycling of various types of waste. We are committed to properly collecting recyclable materials and regularly handing them over to qualified third-party companies for further processing.



## 6.2. Climate Change

The Group acknowledges the risks posed by climate change to its business operations, especially in coastal areas, and is actively exploring ways to mitigate these risks. Recognising the significant threats to global economic and social development, the Group is enhancing the resilience of its operations to extreme weather events.

- Emergency Response**

The Group attaches great importance to the safety of its terminal operators and cargo under extreme weather events induced by climate change, particularly due to the proximity of its cargo terminals to coastal areas. In response to severe weather events, all subsidiaries operating within the terminal navigation logistics business of the Group have formulated emergency plans to mitigate the impact of such conditions.

The Group has identified environmental emergencies with a high probability of occurrence. To effectively address environmental emergencies, the Group has established the *Environmental Emergency Response Plan*, which outlines its strategies and protocols for managing such situations as well as the roles and responsibilities of relevant departments during environmental crises.

Specifically addressing typhoons and flooding, which significantly affect the Group's shipping operations, relevant subsidiaries have formulated the *Typhoon and Flooding Prevention Plan*. This plan aims to enhance safety management and ensure effective work procedures. The Group also conducts regular drills to assess the plan's sufficiency and efficacy.



During the Reporting Period, Zhaoqing New Port performed a simulation and hurricane emergency exercise to enhance typhoon preparedness by providing employee practice in carrying out their roles in the emergency.



To ensure effective response and management of flood incidents, and to facilitate timely and effective emergency rescue operations, Gaoyao Port collaborated with the Customs to conduct a flood prevention and emergency drill.





## 7. COMMUNITY ENGAGEMENT

The Group shoulders its corporate social responsibility by providing support to the local communities where it operates. We demonstrate our commitment through various initiatives and partnerships with local organisations, aiming to make a positive impact on the community. Additionally, we encourage our employees to volunteer their time and expertise, fostering a sense of shared responsibility. By actively participating in community engagement activities, we strive to create a stronger connection with the local communities and work towards building a better society together. During the Reporting Period, we put a strong emphasis on our community activities across various areas including environmental protection, youth development, elderly care, community health, and others. The total value of community investment was HKD1,999,661.37 and we contributed more than 2,886.57 hours in community activities.



During the Reporting Period, CKIFF organised a voluntary blood donation public welfare event. We actively mobilised six young professionals and business executives to join the blood donation volunteer service team and participate in the voluntary blood donation campaign. The total amount of donated blood reached 1,900 ml, demonstrating Lei Feng's spirit and social responsibility through practical actions while significantly contributing to ensuring an adequate and safe blood supply for clinical use.



During the Reporting Period, CKIFF organised a "Youth Volunteer Tour" charity sale initiative. In this initiative, we encouraged all employees to collect unused items for charity sale, aiming to bring love and kindness to the community and encourage employees to spread positive energy.



During the Reporting Period, the Group's headquarter assigned employees to participate in the Hong Kong Government's Strive and Rise Programme, which aimed to provide one-on-one guidance to Hong Kong's youth in areas such as academic studies, life skills and financial management.



Sun Ferry supported the “Senior Citizen’s Day” for years to encourage the elderly to go out more and enrich their social lives. During the Reporting Period, Sun Ferry continued to support the “Senior Citizen’s Day” to express its caring and respect towards the elderly. On the “Senior Citizen’s Day 2023” on 19 November 2023, elders presenting the “Senior Citizen Card” issued by the Social Welfare Department or the “JoyYou Card” issued by Octopus Card Limited could enjoy free rides on Sun Ferry’s ordinary class of ordinary ferry.



Furthermore, Sun Ferry took part in the “Lai See Reuse and Recycle Programme” organised by Greeners Action and set up collection bags at seven piers under its operation from February to March 2023. Passengers were encouraged to participate in the recycling initiative. Together with the collection at the Sun Ferry’s headquarter, over 160 kilograms of Lai See were collected.



Sun Ferry actively participates in different environmental conservation activities. During the Reporting Period, it participated in the “Vitasoy Beverage Carton Clean Recycling Programme” implemented by Vitasoy International Holdings Limited to place “Beverage Carton Recycling Bins” at Cheung Chau, Mui Wo, and North Point piers, encouraging passengers to recycle clean carton beverage boxes.

Sun Ferry also responded to the EPD’s “Reverse Vending Machine Pilot Scheme and installed reverse vending machines at Hung Hom Ferry Pier and Kowloon City Ferry Pier, making it convenient for passengers to return used plastic beverage containers.



## 8. OUR PERFORMANCE

### Revenue<sup>2</sup>

Revenue	Units	2023	2022	2021
Revenue	HKD million	2,553.84	2,899.55	2,268.41

### Emissions and Wastes

Emissions and wastes	Units	2023	2022	2021
<b>Air emissions<sup>3</sup></b>				
NO <sub>x</sub>	Tonnes	2,255.12	1,119.82	1,364.77
	Tonnes per HKD million revenue	0.88	0.39	0.60
SO <sub>x</sub>	Tonnes	27.58	13.45	16.69
	Tonnes per HKD million revenue	1.08 x 10 <sup>-2</sup>	4.64 x 10 <sup>-3</sup>	7.36 x 10 <sup>-3</sup>
CO	Tonnes	236.18	131.54	146.11
	Tonnes per HKD million revenue	0.09	0.05	0.06
PM2.5	Tonnes	40.54	20.66	25.08
	Tonnes per HKD million revenue	0.02	0.01	0.01
PM10	Tonnes	42.93	21.51	26.07
	Tonnes per HKD million revenue	0.02	0.01	0.01

<sup>2</sup> Revenue of the Group were used for the calculation of the intensity of environmental KPIs.

<sup>3</sup> The reporting scope of air pollutants includes those generated from the operation of vehicles, vessels and machinery. Air pollutants were calculated using the methods and emission factors from the *Discharge Coefficients of Industrial Pollutants in the First National General Survey of Pollution Sources*, the *Non-road Mobile Source Air Pollutant Emission Inventory Preparation Technical Guide (Trial)*, the *Road Vehicles Air Pollutant Emission Inventory Preparation Technical Guide (Trial)* and the *EMEP/EEA Air Pollutant Emission Inventory Guidebook 2019*.

Emissions and wastes	Units	2023	2022	2021
<b>GHG emissions</b>				
Total GHG emissions (Scope 1 and Scope 2)	Tonnes CO <sub>2</sub> e	64,451.56	61,946.30	71,394.34
	Tonnes CO <sub>2</sub> e per HKD million revenue	25.24	21.36	31.47
Direct GHG emissions <sup>4</sup> (scope 1)	Tonnes CO <sub>2</sub> e	55,588.66	54,267.08	63,356.95
Indirect GHG emissions <sup>5</sup> (scope 2)	Tonnes CO <sub>2</sub> e	8,862.90	7,679.22	8,037.39
<b>Non-hazardous waste</b>				
Domestic waste	Tonnes	632.07	797.39	1,118.62
	Tonnes per HKD million revenue	0.25	0.28	0.49
Waste tire	Pcs	1,291.00	1,341.00	1,824.60
	Pcs per HKD million revenue	0.51	0.46	0.80
<b>Hazardous waste</b>				
Waste machine oil	Tonnes	39.71	25.26	39.85
	Tonnes per HKD million revenue	0.02	0.01	0.02
Waste vehicle battery	Pcs	190.28	297	285
	Pcs per HKD million revenue	0.07	0.10	0.13

<sup>4</sup> The calculation scope of Scope 1 GHG emissions includes those generated from the operation of vehicles, vessels and machinery. Scope 1 GHG emissions were calculated using the methods and emission factors from the *Reporting Guidance on Greenhouse Gas Emissions for Other Industrial Enterprises (Trial)*, the *Guidelines for Calculation Method and Reporting Guidance on Greenhouse Gas Emissions for On-road Transportation Enterprises (Trial)*, and the *Guidelines to Account for and Report on Greenhouse Gas Emissions and Removals for Buildings (Commercial, Residential or Institutional Purposes) in Hong Kong*.

<sup>5</sup> The calculation scope of Scope 2 GHG emissions includes those came from the use of electricity. Scope 2 GHG emissions of 2023 were calculated by referencing the *Notice on Doing a Good Job in 2023-2025 Reporting and Management of Greenhouse Gas Emissions of Power Generation Enterprises*, and the emission factors provided in the *Sustainability Report 2022* of HK Electric Investments Limited, the *Sustainability Report 2023* of CLP Holdings Limited, and the *CEM Sustainability Report 2022* of Companhia de Electricidade de Macau – CEM, S.A.

## Use of Resources

Use of resources	Units	2023	2022	2021
<b>Direct Energy</b>				
Total Direct Energy	MWh	213,233.49	208,820.10	241,951.46
	MWh per HKD million revenue	83.50	72.02	106.66
Gasoline (vehicles)	Litres	64,826.45	65,248.05	52,627.70
	Litres per HKD million revenue	25.38	22.50	23.20
Diesel (vehicles and machinery)	Litres	4,411,187.92	4,890,067.89	4,122,506.20
	Litres per HKD million revenue	1,727.28	1,686.49	1,817.35
Diesel (vessels)	Tonnes	14,013.49	13,250.51	16,621.57
	Tonnes per HKD million revenue	5.49	4.57	7.33
<b>Indirect Energy</b>				
Electricity	KWh	15,424,995.82	14,688,302.07	14,872,138.00
	KWh per HKD million revenue	6,039.92	5,065.73	6,556.19
<b>Water</b>				
Water	Tonnes	238,446.18	303,182.33	324,192.46
	Tonnes per HKD million revenue	93.37	104.56	142.92

Employees<sup>6</sup>

No. of employees (as of the end of the Reporting Period of each year)	Unit	2023	2022	2021
Total no. of employees	No.	2,206	2,231	2,212
<b>By gender</b>				
Male	No.	1,737	1,785	1,772
Female	No.	469	446	440
<b>By employment type</b>				
Full-time	No.	2,152	2,192	2,212
Part-time	No.	54	39	0
<b>By employee category</b>				
Directors and senior management	No.	64	89	53
Middle management	No.	391	424	425
General employee	No.	1,751	1,718	1,734
<b>By age group</b>				
≤ 30	No.	300	335	324
31 – 40	No.	519	580	603
41 – 50	No.	614	625	634
> 50	No.	773	691	651
<b>By operating location</b>				
Mainland China	No.	1,377	1,409	1,406
Hong Kong	No.	824	818	797
Macao	No.	5	4	9

<sup>6</sup> The Group followed SEHK's guidance on how to calculate the information called for under the social KPIs provided in the *How to Prepare an ESG Report Appendix 3: Reporting guidance on Social KPIs*. The calculation formulas for employee turnover rate, employee training coverage, percentage of employees trained, and average training hours completed per employee are provided in this section.

## Employee Turnover

Employee turnover rate <sup>7</sup>	Unit	2023	2022	2021
Employees turnover rate	%	14.4%	13.4%	13.0%
<b>By gender</b>				
Male	%	13.9%	12.9%	13.0%
Female	%	16.4%	15.5%	13.0%
<b>By age group</b>				
≤ 30	%	17.0%	23.3%	23.8%
31 – 40	%	11.4%	11.7%	9.6%
41 – 50	%	7.2%	6.4%	11.0%
> 50	%	21.2%	16.5%	12.6%
<b>By operating location</b>				
Mainland China	%	10.2%	7.4%	10.1%
Hong Kong	%	21.6%	24.0%	18.2%
Macao	%	0.0%	0.0%	0.0%

## Training

Employee training coverage <sup>8</sup>	Unit	2023	2022	2021
Employee training coverage	%	89.6%	94.3%	64.6%
<b>By gender</b>				
Male	%	89.8%	94.2%	70.7%
Female	%	88.7%	94.4%	40.5%
<b>By employee category</b>				
Senior management	%	59.4%	80.9%	73.6%
Middle management	%	90.5%	92.5%	40.0%
General employee	%	90.5%	95.4%	70.4%

<sup>7</sup> The calculation formula of percentage of employee turnover rate is: number of employees who left during the Reporting Period/number of employees as of the end of the Reporting Period x 100%.

<sup>8</sup> The calculation formula of employee training coverage is: number of trained employees during the Reporting Period/number of employees as of the end of the Reporting Period x 100%.

Percentage of employees trained <sup>9</sup>	Unit	2023	2022	2021
<b>By gender</b>				
Male	%	78.9%	80.0%	87.6%
Female	%	21.1%	20.0%	12.4%
<b>By employee category</b>				
Senior management	%	1.9%	3.4%	2.7%
Middle management	%	17.9%	18.6%	11.9%
General employee	%	80.2%	77.9%	85.4%

## Training Hours

Average training hours completed per employee <sup>10</sup>	Unit	2023	2022	2021
Average training hours completed per employee	Hours	34.8	47.1	26.9
<b>By gender</b>				
Male	Hours	32.9	48.5	32.0
Female	Hours	41.9	41.8	6.6
<b>By employee category</b>				
Senior management	Hours	64.6	42.6	19.0
Middle management	Hours	66.7	76.9	7.3
General employee	Hours	26.6	40.1	32.0

## Safety

Safety performance	Unit	2023	2022	2021
Number of work-related fatalities	No.	0	1	0
Work-related fatalities rate	%	0%	0.04%	0%
Lost days due to work injury	Days	433	605	880

<sup>9</sup> The calculation formula of percentage of employees trained is: number of employees trained of the specific category during the Reporting Period/total number of trained employees during the Reporting Period x 100%.

<sup>10</sup> The calculation formula of average training hours completed per employee is: total training hours received by employees during the Reporting Period/number of employees as of the end of the Reporting Period x 100%.

# Appendix 1 Applicable Laws and Regulations

The laws and regulations that have a significant impact on the Group's operation in Mainland China, Hong Kong and Macao and our performance during the Reporting Period are as follows:

Law and Regulations <sup>11</sup>
<b>Environment</b>
<b>Mainland China</b>
<ul style="list-style-type: none"> <li>Environmental Protection Law of the People's Republic of China</li> <li>Atmospheric Pollution Prevention and Control Law of the People's Republic of China</li> <li>Law of the People's Republic of China on the Prevention and Control of Environmental Pollution by Solid Wastes</li> <li>Water Pollution Prevention and Control Law of the People's Republic of China</li> <li>Law of the People's Republic of China on Water and Soil Conservation</li> <li>Law of the People's Republic of China on the Promotion of Cleaner Production</li> <li>Law of the People's Republic of China on Ports</li> <li>Law of the People's Republic of China on Conserving Energy</li> </ul>
<b>Hong Kong</b>
<ul style="list-style-type: none"> <li>Cap. 311Z Air Pollution Control (Non-road Mobile Machinery) (Emission) Regulation</li> <li>Cap. 358 Water Pollution Control Ordinance</li> <li>Cap. 354 Waste Disposal Ordinance</li> <li>Cap. 313 Shipping and Port Control Ordinance</li> <li>Cap. 311Y Air Pollution Control (Marine Light Diesel) Regulation</li> </ul>
<b>Macao</b>
<ul style="list-style-type: none"> <li>Administrative Regulation No. 15/2016 Standards for Unleaded Petrol and Light Diesel for Vehicles</li> </ul>
<b>Employment and Labour Practices</b>
<b>Mainland China</b>
<ul style="list-style-type: none"> <li>Labour Law of the People's Republic of China</li> <li>Labour Contract Law of the People's Republic of China</li> <li>Law of the People's Republic of China on the Protection of Minors</li> <li>Provisions on the Prohibition of Using Child Labour</li> </ul>
<b>Hong Kong</b>
<ul style="list-style-type: none"> <li>Cap. 57 Employment Ordinance</li> <li>Cap. 282 Employee Compensation Ordinance</li> <li>Cap. 608 Minimum Wage Ordinance</li> </ul>
<b>Macao</b>
<ul style="list-style-type: none"> <li>Law No. 4/98/M Framework Law on Employment Policy and Worker's Rights</li> <li>Law No. 7/2008 Labour Relations Law</li> <li>Administrative Regulation No. 13/2010 Regulation of the conditions or responsibilities to be established in the employment permit for non-resident workers</li> </ul>

<sup>11</sup> The laws and regulations of Macao are translated from Portuguese.

## Appendix 1 Applicable Laws and Regulations

### Law and Regulations<sup>11</sup>

#### Health and Safety

##### Mainland China

- Production Safety Law of the People's Republic of China
- Law of the People's Republic of China on the Prevention and Treatment of Occupational Diseases

##### Hong Kong

- Cap. 509 Occupational Safety and Health Ordinance
- Cap. 59J Factories and Industrial Undertakings (Lifting Appliance and Lifting Gear) Regulation
- Cap. 59K Factories and Industrial Undertakings (Cargo and Container Handling) Regulation
- Cap. 59AC Factories and Industrial Undertakings (Suspended Working Platforms) Regulation
- Cap. 59AG Factories and Industrial Undertakings (Loadshifting Machinery) Regulation
- Cap. 81 Port Control (Cargo Working Areas) Ordinance

##### Macao

- Law No. 2/83/M Sanctions Applicable to the Transgression of Legal or Regulatory Norms on Occupational Health or Safety in Industrial Establishments
- Decree-Law No. 24/95/M Fire Security Regulation
- Decree-Law No. 37/89/M Approves the General Regulation on Occupational Health and Safety in Commercial, Office and Service Establishments

#### Product Responsibility

##### Mainland China

- Product Quality Law of the People's Republic of China
- Law of the People's Republic of China on Import and Export Commodity Inspection
- Law of the People's Republic of China on the Protection of Consumer Rights and Interests

##### Hong Kong

- Cap. 486 Personal Data (Privacy) Ordinance
- Cap. 456 Consumer Goods Safety Ordinance
- Cap. 362 Trade Descriptions Ordinance
- Cap. 26 Sale of Goods Ordinance

##### Macao

- Law No. 8/2005 Personal Data Protection Act

#### Anti-corruption

##### Mainland China

- Criminal Law of the People's Republic of China
- Anti-Unfair Competition Law of the People's Republic of China
- The Bidding Law of the People's Republic of China
- Supervision Law of the People's Republic of China
- Interim Provisions on Banning Commercial Bribery

##### Hong Kong

- Cap. 201 Prevention of Bribery Ordinance

## Appendix 2 Environmental, Social and Governance Reporting Guide Content Index

Mandatory Disclosure Requirements	Descriptions	Relevant Sections and Remarks
<b>Governance Structure</b>	Statement from the board containing the following elements: (i) a disclosure of the board's oversight of ESG issues; (ii) the board's ESG management approach and strategy, including the process used to evaluate, prioritise and manage material ESG-related issues (including risks to the issuer's businesses); and (iii) how the board reviews progress made against ESG-related goals and targets with an explanation of how they relate to the issuer's businesses.	3.1
<b>Reporting Principles</b>	A description of, or an explanation on, the application of the following Reporting Principles in the preparation of the ESG report:  Materiality: The ESG report should disclose: (i) the process to identify and the criteria for the selection of material ESG factors; (ii) if a stakeholder engagement is conducted, a description of significant stakeholders identified, and the process and results of the issuer's stakeholder engagement.  Quantitative: Information on the standards, methodologies, assumptions and/or calculation tools used, and source of conversion factors used, for the reporting of emissions/energy consumption (where applicable) should be disclosed.  Balance: The ESG report should provide an unbiased picture of the issuer's performance. The report should avoid selections, omissions, or presentation formats that may inappropriately influence a decision or judgment by the report reader.  Consistency: The issuer should disclose in the ESG report any changes to the methods or KPIs used, or any other relevant factors affecting a meaningful comparison.	About this Report
<b>Reporting Boundary</b>	A narrative explaining the reporting boundaries of the ESG report and describing the process used to identify which entities or operations are included in the ESG report. If there is a change in the scope, the issuer should explain the difference and reason for the change.	About this Report

## Appendix 2 Environmental, Social and Governance Reporting Guide Content Index

General Disclosures and Key Performance Indicators (KPIs)	Descriptions	Relevant Sections and Remarks
<b>Environmental</b>		
<b>Aspect A1: Emissions</b>		
<b>General Disclosure</b>	(a) Policies; and (b) compliance with relevant laws and regulations that have a significant impact on the issuer relating to air and greenhouse gas emissions, discharges into water and land, and generation of hazardous and non-hazardous waste.	6, Appendix 1
<b>KPI A1.1</b>	The types of emissions and respective emissions data.	8
<b>KPI A1.2</b>	Greenhouse gas emissions in total (in tonnes) and, where appropriate, intensity (e.g. per unit of production volume, per facility).	8
<b>KPI A1.3</b>	Total hazardous waste produced (in tonnes) and, where appropriate, intensity (e.g. per unit of production volume, per facility).	8
<b>KPI A1.4</b>	Total non-hazardous waste produced (in tonnes) and, where appropriate, intensity (e.g. per unit of production volume, per facility).	8
<b>KPI A1.5</b>	Description of emission target(s) set and steps taken to achieve them.	6, 6.1
<b>KPI A1.6</b>	Description of how hazardous and non-hazardous wastes are handled, and a description of reduction target(s) set and steps taken to achieve them.	6, 6.1



Appendix 2 Environmental, Social and Governance Reporting Guide Content Index

General Disclosures and Key Performance Indicators (KPIs)	Descriptions	Relevant Sections and Remarks
<b>Environmental</b>		
<b>Aspect A2:Use of Resources</b>		
<b>General Disclosure</b>	Policies on the efficient use of resources, including energy, water and other raw materials.	6
<b>KPI A2.1</b>	Direct and/or indirect energy consumption by type (e.g. electricity, gas or oil) in total (kWh in '000s) and intensity (e.g. per unit of production volume, per facility).	8
<b>KPI A2.2</b>	Water consumption in total and intensity (e.g. per unit of production volume, per facility).	8
<b>KPI A2.3</b>	Description of energy use efficiency target(s) set and steps taken to achieve them.	6, 6.1
<b>KPI A2.4</b>	Description of whether there is any issue in sourcing water that is fit for purpose, water efficiency target(s) set and steps taken to achieve them.	6, 6.1
<b>KPI A2.5</b>	Total packaging material used for finished products (in tonnes) and, if applicable, with reference to per unit produced.	The Group does not produce any products, and thus the total packaging material used for finished products is not applicable to the Group.
<b>Aspect A3:The Environment and Natural Resources</b>		
<b>General Disclosure</b>	Policies on minimising the issuer's significant impact on the environment and natural resources.	6
<b>KPI A3.1</b>	Description of the significant impacts of activities on the environment and natural resources and the actions taken to manage them.	6.1

Appendix 2 Environmental, Social and Governance Reporting Guide Content Index

General Disclosures and Key Performance Indicators (KPIs)	Descriptions	Relevant Sections and Remarks
<b>Environmental</b>		
<b>Aspect A4:Climate change</b>		
<b>General Disclosure</b>	Policies on identification and mitigation of significant climate-related issues which have impacted, and those which may impact, the issuer.	6.2
<b>KPI A4.1</b>	Description of the significant climate-related issues which have impacted, and those which may impact, the issuer, and the actions taken to manage them.	6.2
<b>Social</b>		
<b>Aspect B1:Employment</b>		
<b>General Disclosure</b>	(a) Policies; and (b) compliance with relevant laws and regulations that have a significant impact on the issuer relating to compensation and dismissal, recruitment and promotion, working hours, rest periods, equal opportunity, diversity, anti-discrimination, and other benefits and welfare.	5.1, 5.2, Appendix 1
<b>KPI B1.1</b>	Total workforce by gender, employment type, age group and geographical region.	5.1, 8
<b>KPI B1.2</b>	Employee turnover rate by gender, age group and geographical region.	8



General Disclosures and Key Performance Indicators (KPIs)	Descriptions	Relevant Sections and Remarks
<b>Social</b>		
<b>Aspect B2: Health and Safety</b>		
<b>General Disclosure</b>	(a) Policies; and (b) compliance with relevant laws and regulations that have a significant impact on the issuer relating to providing a safe working environment and protecting employees from occupational hazards.	5.3, Appendix 1
<b>KPI B2.1</b>	Number and rate of work-related fatalities occurred in each of the past three years including the reporting year.	5.3
<b>KPI B2.2</b>	Lost days due to work injury.	5.3
<b>KPI B2.3</b>	Description of occupational health and safety measures adopted, how they are implemented and monitored.	5.3
<b>Aspect B3: Development and Training</b>		
<b>General Disclosure</b>	Policies on improving employees' knowledge and skills for discharging duties at work. Description of training activities.	5.2
<b>KPI B3.1</b>	The percentage of employees trained by gender and employee category (e.g. senior management, middle management).	8
<b>KPI B3.2</b>	The average training hours completed per employee by gender and employee category.	8

General Disclosures and Key Performance Indicators (KPIs)	Descriptions	Relevant Sections and Remarks
<b>Social</b>		
<b>Aspect B4: Labour Standards</b>		
<b>General Disclosure</b>	(a) Policies; and (b) compliance with relevant laws and regulations that have a significant impact on the issuer relating to preventing child and forced labour.	5.2, Appendix 1
<b>KPI B4.1</b>	Description of measures to review employment practices to avoid child and forced labour.	5.2
<b>KPI B4.2</b>	Description of steps taken to eliminate such practices when discovered.	5.2
<b>Aspect B5: Supply Chain Management</b>		
<b>General Disclosure</b>	Policies on managing environmental and social risks of the supply chain.	4.4
<b>KPI B5.1</b>	Number of suppliers by geographical region.	4.4
<b>KPI B5.2</b>	Description of practices relating to engaging suppliers, number of suppliers where the practices are being implemented, how they are implemented and monitored.	4.4
<b>KPI B5.3</b>	Description of practices used to identify environmental and social risks along the supply chain, and how they are implemented and monitored.	4.4
<b>KPI B5.4</b>	Description of practices used to promote environmentally preferable products and services when selecting suppliers, and how they are implemented and monitored.	4.4

General Disclosures and Key Performance Indicators (KPIs)	Descriptions	Relevant Sections and Remarks
<b>Social</b>		
<b>Aspect B6:Product Responsibility</b>		
<b>General Disclosure</b>	(a) Policies; and (b) compliance with relevant laws and regulations that have a significant impact on the issuer relating to health and safety, advertising, labelling and privacy matters relating to products and services provided and methods of redress.	4.1, 4.2, 4.3, Appendix 1 Due to the Group's business nature, products, labelling relating to the services provided, and recall procedures are not applicable to the Group.
<b>KPI B6.1</b>	Percentage of total products sold or shipped subject to recalls for safety and health reasons.	The Group does not produce any products.
<b>KPI B6.2</b>	Number of products and service related complaints received and how they are dealt with.	4.2
<b>KPI B6.3</b>	Description of practices relating to observing and protecting intellectual property rights.	4.3
<b>KPI B6.4</b>	Description of quality assurance process and recall procedures.	4 Due to the Group's business nature, recall procedure is not applicable to the Group.
<b>KPI B6.5</b>	Description of consumer data protection and privacy policies, how they are implemented and monitored.	4.3

General Disclosures and Key Performance Indicators (KPIs)	Descriptions	Relevant Sections and Remarks
<b>Social</b>		
<b>Aspect B7:Anti-Corruption</b>		
<b>General Disclosure</b>	(a) Policies; and (b) compliance with relevant laws and regulations that have a significant impact on the issuer relating to bribery, extortion, fraud and money laundering.	3.1, Appendix 1
<b>KPI B7.1</b>	Number of concluded legal cases regarding corrupt practices brought against the issuer or its employees during the reporting period and the outcomes of the cases.	3.1
<b>KPI B7.2</b>	Description of preventive measures and whistle-blowing procedures, how they are implemented and monitored.	3.1
<b>KPI B7.3</b>	Description of anti-corruption training provided to directors and staff.	3.1
<b>Aspect B8:Community Investment</b>		
<b>General Disclosure</b>	Policies on community engagement to understand the needs of the communities where the issuer operates and to ensure its activities take into consideration the communities' interests.	7
<b>KPI B8.1</b>	Focus areas of contribution (e.g. education, environmental concerns, labour needs, health, culture, sport).	7
<b>KPI B8.2</b>	Resources contributed (e.g. money or time) to the focus area.	7



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